

EXHIBIT 11
continued

the employee refuses to sign, the supervisor or manager should first remind the employee that a signature indicates only receipt of the document and not agreement with its contents, and should ask the employee again to sign. The supervisor should give the employee the option to write below his or her signature, "I acknowledge receipt but disagree with the contents of this notice". If the employee still refuses to sign, the supervisor should ask another supervisor or manager to join the meeting, should ask the employee again to sign, and then should note on the document, "Employee refused to sign". Both the supervisor and the manager/witness should sign underneath this sentence.

6. Distribution of Documentation:

- 6.1 Copies of all documentation should be maintained in both the department employee files and the Human Resources Department.
- 6.2 Employees should be provided with a copy of all written warnings.
- 6.3 Copies of warnings may be given to participating witnesses.

7. Time Limits:

- 7.1 Time limits set for improvement may vary based on a number of factors. These include but are not limited to the nature of the problem, the individual's length of service, the manager's evaluation of the individual's capacity for improvement and the importance and complexity of the job. Before establishing time limits, managers should consult with Human Resources management.
- 7.2 The original time limit may be extended if there is evidence of significant improvement. Extensions should be discussed with the next higher-level manager and/or Human Resources.
- 7.3 In general, warnings that are 12 months old or less are considered "current". Employees with current warnings on file will be ineligible for internal transfer and promotion until such time as the warning has been deactivated as noted below.
- 7.4 The table below indicates at which step and for how long satisfactory performance must be sustained before the corrective action documentation will be considered deactivated.

Duration Required Before Deactivation

Step	Time Period
Verbal Warning	6 Months
Written Warning	12 Months
Suspension	18 Months

8. Immediate Dismissal:

- 8.1 Behaviors that may warrant immediate dismissal include, but are not limited to the following:
- Involvement in cases of theft or other dishonest acts;
 - Insubordination or violence towards management or co-workers;
 - Failure to adhere to hospital policy and procedure or regulatory requirements governing the Hospital;
 - Causing financial or other losses to the Hospital
 - Possession, use or sale of illegal drugs on Hospital premises or while on Hospital business;
 - Possession of weapons on company premises;
 - Other serious offenses that constitute gross misconduct.
- 8.2 In these cases the employee may be subject to immediate dismissal after an investigation has substantiated the charge. Depending on the nature of the offense, the employee might be placed on an unpaid suspension during the investigation.

9. Employee Responsibilities:

- 9.1 Employees are responsible for fulfilling all requirements of their position and for meeting the performance standards that have been established for the job. They must rigorously follow all applicable laws and other government regulations and Hospital policies and procedures.

10. Management Responsibilities:

- 10.1 Managers are responsible for communicating the requirements of the job and their expectations of how the job is to be performed to the employees. Managers should ensure that employees review, sign and date their job descriptions and provide them with a copy. The signed original should be forwarded to HR for the personnel file.
- 10.2 Managers are also responsible for communicating to employees when they are not meeting job requirements. They must take appropriate corrective action when warranted as outlined in this policy and fully document all performance problems and action taken.
- 10.3 All decisions regarding termination of employment must first be reviewed with the Vice President of Human Resources.

Approval:

Lawrence Hospital Center
Human Resources Policies & Procedures Guide

Subject: Performance Management

POLICY NO.: HR-701

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Effective: 1-10-05

Supersedes: 7-1-02

Policy: The Hospital recognizes the importance of evaluation systems as a means of effectively and objectively measuring staff competency and work performance. Such systems are used to help determine and defend salary, promotion and other employment decisions. Having their performance evaluated against objective standards provides employees with opportunities to improve based on the feedback they receive.

This policy applies to all employees. It describes the Hospital's process and procedures for effective and efficient performance management. It includes procedures for the scheduling and preparation for performance review discussions and competency assessments, performance review discussion content, record keeping, use of evaluation information and necessary follow-up actions.

Process and Procedure:

1. Performance Management Programs:

- 1.1 Under the direction of the Vice President of Human Resources, all programs used to evaluate the skill level and/or performance of Hospital employees will be reviewed and managed by Human Resources. Human Resources will compile evaluation data and report results.

2. Employee Performance Reviews:

- 2.1 All employees will have a written performance review completed at least once per year.
- 2.2 The written performance review should be completed and the discussion scheduled at a time close to the employee's employment anniversary date.
- 2.3 If the employee has been promoted since the last performance review discussion, the next performance review should be scheduled close to the anniversary date of the promotion.
- 2.4 The employee should be notified of the scheduled performance review discussion in advance.
- 2.5 The supervisor will complete a "Performance Review Summary Form" prior to the performance review discussion and may change entries as a result of information brought out during the discussion.

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3. Management Preparation for Review Discussions:

- 3.1 Managers and Supervisors should review the employee's position description when completing a review.
- 3.2 If there has been a significant change in responsibilities since the last review, the position description should be updated and forwarded for approval to the Department Head and Human Resources.
- 3.3 The Manager and Supervisor will rate the employee's performance on each major responsibility listed in the position description.
- 3.4 The Manager and Supervisor will also consider other quantitative records relating to performance such as attendance and punctuality.
- 3.5 Performance feedback from a former Manager or Supervisor during the past year will be requested and considered.

4. Conducting Performance Review Discussions:

- 4.1 Supervisors and Managers will receive training in conducting performance review discussions.
- 4.2 The discussion should be conducted as a candid dialogue during which both parties have an opportunity to discuss the employee's performance during the review period.
- 4.3 The Manager should present the overall review and any supporting information.
- 4.4 The salary decision may be communicated during the discussion or made available to the employee at an agreed upon future time.
- 4.5 The employee should have an opportunity to respond to or refute any of the review data and/or supporting information presented during the discussion.
- 4.6 A candid discussion should take place to address any questions regarding details of the performance review or the accuracy of the position description.
- 4.7 Where areas for improvement have been identified, improvement plans should be developed and agreed upon by both parties.
- 4.8 Performance goals for the future should be communicated and agreed upon.
- 4.9 The discussion may include a plan for the employee's professional development.

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4.10 The employee should add any comments, sign and date the review form.

5. Post-Discussion Actions:

5.1 The original review form will be sent to the Department Head (if appropriate) for final authorization and signature and then forwarded to Human Resources.

5.2 Lack of compliance with this policy on the part of management may result in the delay and/or decrease in eligibility for their performance based salary increases and/or bonuses.

6. Competency Assessments:

6.1 As part of the overall review process, managers must insure that employees are competent in the skills required to effectively perform the job. Such assessments must be completed annually. Depending upon the timing, competency assessments may be submitted in conjunction with or separate from the written performance review.

6.2 The annual assessment of employee competencies must be based on job-specific criteria that are stated in written position descriptions. While performance reviews serve to evaluate and assess overall performance of competencies, the competency assessment form should be used to assess skills that involve high risk or potentially problematic procedures. Examples are: skills relating to age specific characteristics of the patient population being served, ability to operate equipment safely and effectively, use of proper infection control procedures, proper use and storage of hazardous materials, fire prevention and other safety procedures, cardiopulmonary resuscitation and other lifesaving interventions, participation in the quality improvement process and the appropriate management of information.

6.3 If competency standards are not met, specific follow-up and/or action plans must be established and documented. Managers should consult with Human Resources when establishing reasonable time frames and action plans. Employees who do not meet competency standards may be restricted from performing specific tasks or procedures until reassessment confirms that competency has been achieved.

6.4 Consecutive failure to demonstrate competency of a specific skill or skills may warrant permanent removal of the staff member from his/her assignment. The need for such action may also simultaneously result in corrective action up to and including termination of employment.

Approval:

Lawrence Hospital Center
Human Resources Policies & Procedures Guide

Subject: Termination of Employment

POLICY NO.: HR-901

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Effective 7-1-02

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Policy: The Hospital seeks to treat employees fairly with full consideration for their contribution to the organization's success. Every reasonable effort should be made to retain productive and capable employees, and ensure that fair and consistent treatment is used when conditions warrant termination of an employee. An employee who is leaving the organization may participate voluntarily in a feedback discussion.

This policy applies to all employees who have left the Hospital voluntarily (resignation) or who have been terminated involuntarily. It categorizes the types of terminations and gives procedures for handling them. Issues such as the status of benefits after termination, accrued pay, discharge procedures, return of Hospital property, security, exit feedback discussions and the responsibilities of all parties are considered in this policy.

Process and Procedure:

1. Definitions:

- 1.1 **Termination:** Termination is defined as any action that permanently severs the employee-employer relationship.
- 1.2 **Voluntary Termination:** A voluntary termination is defined as a resignation by the employee on the employee's own initiative. If an employee resigns while a corrective action process is under way, the termination is considered voluntary. Voluntary terminations include resignations, retirements and job abandonment.
 - Job abandonment is defined as failure by an employee to report to work for three (3) consecutive days without proper notification.
- 1.3 **Involuntary Termination:** An involuntary termination is defined as any situation in which the organization initiates the discharge of an employee for any reason.

2. Authority to Terminate

- 2.1 No employee may be discharged without the approval of the Vice President of Human Resources, who is responsible for ensuring that the employee has received due process as defined by this policy and the corrective action policies in this manual.

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3. Voluntary Termination - Employee Responsibilities

- 3.1 The Hospital requests that all resignations be in writing. Resignation letters should be addressed to the Department Manager and indicate the last day of work.
- 3.2 Employees are expected to give advanced written notice of no less than the number of weeks of vacation allowance they are entitled to on an annual basis.
- 3.3 Once an employee has submitted proper notification of resignation, he/she may take accrued, unused paid time off during the notice period with prior approval of the Department Manager.
- 3.4 Resignations without proper notice will result in the loss of accrued, unused paid time off. This includes situations where employees do not work all scheduled days during their resignation period.
- 3.5 Whenever possible, an exit feedback discussion with the employee should be conducted by Human Resources in advance of the last day worked.

4. Voluntary Termination - Management Responsibilities

- 4.1 Every reasonable effort should be made to retain productive and capable employees. If a valued employee gives notice of intent to resign, the immediate supervisor should discuss reasons with the employee and, if appropriate, discuss alternatives with Human Resources.
- 4.2 Upon receipt of the resignation letter, managers must forward the original letter to Human Resources.
- 4.3 All final paychecks will be delivered to the Department Manager, who will assume responsibility for releasing the check to the resigning employee. Checks will not be released without receipt of a completed employee "Property Return Checklist".

5. Involuntary Termination: Performance/Corrective Action

- 5.1 Supervisors and managers should carefully consider any termination decision and consult Human Resources in addition to following the policies outlined below.
- 5.2 Employees can be terminated for poor performance, corrective action, and attendance issues with prior warnings and the approval of Human Resources.
- 5.3 In most cases the warnings may be preceded by counseling steps in which specific areas requiring improvement are communicated to the employee (See Corrective Action policy).